

**BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

AGENDA REVIEW	11/18/15
BOARD MEETING	12/1/15
SUPERVISORIAL DISTRICT	All
DEPARTMENT	Department of Mental Health (DMH)
SUBJECT	APPROVAL TO EXTEND THE TERM OF 25 DEPARTMENT OF MENTAL HEALTH PHARMACY AGREEMENTS FOR FISCAL YEAR 2015-16
PROGRAM	Office of the Medical Director
DEADLINES	December 31, 2015
COST & FUNDING	The total estimated cost of these 25 pharmacy agreement extensions for FY 2015-16 is \$1,249,950 funded by 2011 Realignment and State MHSA revenue, and is included in the Department's FY 2015-16 CEO Recommended Budget. There is no increase in net County cost associated with the above recommendations
PURPOSE OF REQUEST	Board approval of the recommended actions will extend the term of pharmacy agreements expiring on December 31, 2015, on a month-to-month basis for up to 6 months, in order to continue dispensing medication to clients from contractors' own stock supply. Furthermore, Board approval will allow the Department to amend agreements as the need arises. The short renewal term is necessary so that DMH may continue to dispense medication to clients without interruption until DMH concludes a Request for Proposal (RFP) solicitation bid process for a Pharmacy Benefit Manager (PBM) agreement. It is anticipated the PBM RFP process will conclude in FY 2015-16, at which time the PBM company will assume responsibility for administration of DMH's prescription drug program.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	<p>The extension of the 25 pharmacy agreements is a critical component in the delivery of mental health services, as prescribed medications play a vital role in the treatment of mental health clients. Psychiatrists in contracted and directly operated mental health programs write prescriptions that are filled by local pharmacies.</p> <p>Clinical and administrative staff of DMH will continue to administer and monitor contractors' adherence to the agreements to ensure quality services are provided to clients. As mandated by your Board, DMH evaluates the performance of all contractors on an annual basis to ensure contractors are in compliance with all contract terms and performance standards.</p> <p>Contract negotiations with the new PBM will conclude in Fall 2015. Full implementation of the PBM Agreement is expected to occur following Board Approval and contract execution with the PBM in the spring of 2016. Subsequently, the PBM will assume responsibility for administration of DMH's prescription drug program. It is anticipated that the PBM will be fully implemented no later than June, 2016. The term extension amendment may extend the pharmacy agreements through June 30, 2016.</p>
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